

AFFIDAVIT OF MAILING

STATE OF FLORIDA

COUNTY OF SEMINOLE

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared Lori L. Jones, who, after being duly sworn on oath, did depose on oath and say that she is the Billing Specialist of Utilities, Inc., the sole shareholder of Carolina Water Service Inc of SC ("Utility"), and that on December 20, 21 & 22, 2017, she did send by regular U.S. Mail, a copy of the Customer Notice, attached hereto, to all customers in South Carolina.

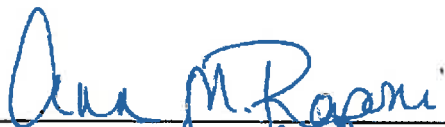
FURTHER AFFIANT SAYETH NAUGHT.



Print Name: Lori L. Jones

Print Title: Billing Specialist

Sworn to and subscribed before me this 28th day of December, 2017 by Lori L. Jones, who is personally known to me or has produced _____ as identification.

Print Name: Ann M. Raponi

NOTARY PUBLIC

My Commission Expires: 7/12/2021

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**CLERK'S OFFICE****REVISED NOTICE OF FILING AND HEARING AND PREFILE TESTIMONY DEADLINES****DOCKET NO. 2017-292-WS**

Application of Carolina Water Service, Inc. for Approval of an Increase in Its Rates for Water and Sewer Services

Carolina Water Service, Inc. (CWS or the Company) has filed an Application for Adjustment of Rates and Charges and Modifications to Certain Terms and Conditions for the Provision of Water and Sewer Service with the Public Service Commission of South Carolina (the Commission). As justification for the rate relief requested in the Application, CWS states that its proposed rates are necessary, in part, for the Company to provide reasonable and adequate service to its customers, cover its expenses, be permitted an opportunity to earn a reasonable return on its investment, and attract capital for future improvements. The Application was filed pursuant to S.C. Code Ann. §58-5-240 and 10 S.C. Code Ann. Regs. 103-712.4.A and 103-512-4.A.

In addition to requesting that the Commission approve CWS's proposed rates and charges, the Company requests approval of the following proposals and other proposals included in the Application:

- CWS is seeking recovery of the balance in the regulatory deferral account associated with increases in purchased water from bulk water providers, as authorized in Order No. 2015-876 in Docket No. 2015-199-WS.
- The Application states that by notice dated October 9, 2017, the Town of Lexington (Town) notified CWS of the Town's intention to condemn CWS's I-20 waste-water service territory which serves approximately 2,300 customers. CWS states in its Application that it anticipates and, therefore, reflects the removal of the I-20 waste-water system in the Application.
- The Company wants to amend its Cross-Connections inspections to require residential customers to test their back-flow devices every two (2) years and to authorize CWS to terminate service to any customer, after notice, who fails to demonstrate that its back-flow device is operating properly.
- CWS wants authority to create a Utility System Improvement Rate (USIR) (see page 6 of the Application). The USIR provides a procedure whereby the Company may petition the Commission for recovery of capital investments of eligible improvements as defined by the USIR without the Company filing a new general rate case. The USIR provides for notice and an opportunity for customers to be heard and a cap on the recovery of the eligible capital investment of ten percent (10%) of the total annual service revenues approved by the Commission in the instant rate case.

SCHEDULE OF PROPOSED RATES AND CHARGES

WATER

Service Territory 1

Monthly Charges - Water Supply Customers Only

Where water is supplied by wells owned and operated by the Utility, the following rates apply:

	<u>Current</u>	<u>Proposed</u>
<u>Residential</u>		
Base Facilities Charge per single-family house, condominium, mobile home, or apartment unit	\$ 14.64 per unit	\$ 16.82 per unit
Residential Commodity Charge	\$ 5.69 per 1,000 gal. or 134 cft.	\$ 6.54 per 1,000 gal. or 134 cft.
<u>Commercial</u>		
Base Facilities Charge by meter size		
5/8" meter *	\$ 14.64 per unit	\$ 16.82 per unit
3/4" meter	\$ 14.64 per unit	\$ 16.82 per unit
1" meter	\$ 38.10 per unit	\$ 43.77 per unit
1.5" meter	\$ 76.21 per unit	\$ 87.54 per unit
2" meter	\$ 121.93 per unit	\$ 140.06 per unit
3" meter	\$ 228.63 per unit	\$ 262.63 per unit
4" meter	\$ 381.16 per unit	\$ 437.84 per unit
8" meter	\$1,171.21 per unit	\$1,345.36 per unit
Commercial Commodity Charge	\$ 5.69 per 1,000 gal. or 134 cft.	\$ 6.54 per 1,000 gal. or 134 cft.

Monthly Charges - Water Distribution Customers Only

Where water is purchased from a governmental body or agency or other entity for distribution and resale by the Utility, the following rates apply:

<u>Residential</u>		
Base Facilities Charge per single-family house, condominium, mobile home, or apartment unit	\$14.64 per unit	\$16.82 per unit
Residential Commodity Charge	\$ 6.67 per 1,000 gal. or 134 cft.	\$ 8.66 per 1,000 gal. or 134 cft.

	<u>Current</u>	<u>Proposed</u>
<u>Commercial</u>		
Base Facilities Charge		
by meter size		
5/8" meter *	\$ 14.64 per unit	\$ 16.82 per unit
3/4" meter	\$ 14.64 per unit	\$ 16.82 per unit
1" meter	\$ 38.10 per unit	\$ 43.77 per unit
1.5" meter	\$ 76.21 per unit	\$ 87.54 per unit
2" meter	\$ 121.93 per unit	\$ 140.06 per unit
3" meter	\$ 228.63 per unit	\$ 262.63 per unit
4" meter	\$ 381.16 per unit	\$ 437.84 per unit
8" meter	\$1,171.21 per unit	\$1,345.36 per unit
Commercial Commodity Charge		
	\$6.67 per 1,000 gal. or 134 cft.	\$8.66 per 1,000 gal. or 134 cft/

***A "Fire Line" customer will be billed a monthly base facilities charge of a 5/8" meter or at the rate of any other meter size used as a detector.**

Service Territory 2

Monthly Charges - Water Supply Customers

Where water is supplied by wells owned and operated by the Utility, the following rates apply:

	<u>Current</u>	<u>Proposed</u>
<u>Residential</u>		
Base Facilities Charge per single-family house, condominium, mobile home or apartment unit:		
	\$24.72 per unit	\$29.20 per unit
Residential Commodity Charge	\$ 8.88 per 1,000 gal. or 134 cft.	\$10.49 per 1,000 gal. or 134 cft.
<u>Commercial</u>		
Base Facilities Charge		
by meter size		
5/8" meter*	\$ 24.72 per unit	\$ 29.20 per unit
1" meter	\$ 68.81 per unit	\$ 81.28 per unit
1.5" meter	\$ 126.45 per unit	\$149.36 per unit
3" meter	\$ 431.52 per unit	\$509.70 per unit
Commercial Commodity Charge	\$ 8.88 per 1,000 gal. or 134 cft.	\$10.49 per 1,000 gal. or 134 cft.

Monthly Charges - Water Distribution Customers Only

Where water is purchased from a governmental body or agency or other entity for distribution and resale by the Utility, the following rates apply:

Residential

Base Facilities Charge per single-family house, condominium, mobile home or apartment unit:

\$ 24.72 per unit	\$ 29.20 per unit
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Residential Commodity Charge

\$ 9.41 per 1,000 gal. or 134 cft.	\$ 12.19 per 1,000 gal. or 134 cft.
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Commercial

Base Facilities Charge by meter size:

5/8" meter *	\$ 24.72 per unit	\$ 29.20 per unit
1" meter	\$ 68.81 per unit	\$ 81.28 per unit
1.5" meter	\$ 126.45 per unit	\$149.36 per unit
3" meter	\$ 431.52 per unit	\$509.70 per unit

Commercial Commodity Charge

\$ 9.41 per 1,000 gal. or 134 cft.	\$ 12.19 per 1,000 gal. or 134 cft.
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***A "Fire Line" customer will be billed a monthly base facilities charge of a 5/8" meter or at the rate of any other meter size used as a detector.**

WATER SERVICE
TERMS AND CONDITIONS
AND
NON-RECURRING CHARGES

****(Please see full Application on the Commission's website @psc.sc.gov)****

1. Terms and Conditions

G. Cross-Connection Inspection

Any customer installing, permitting to be installed, or maintain any cross connection between the Utilities water system and any other non-public water system, sewer, or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2, as may be amended for time to time. Such a customer shall have such cross connection inspected by a licensed certified tester and provide to Utility a copy of written inspection report indicating the back-flow device is functioning properly and testing results submitted by the tester in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2, as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later June 30th of each year for required commercial customers and no later than June 30th of every other year for required residential customers. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customer's next bill. If after inspection and testing by the Utility's certified tester, the back-flow device fails to function properly, the customer will be notified and given a 30 day period in which to have the back-flow device repaired or replaced with a subsequent follow-up inspection by a licensed certified tester indicating the back-flow device is functioning properly. Failure to submit a report indicating the back-flow device is functioning properly will result in discontinuation of water service to said customer until such time as a passing inspection report is received by Utility.

H. A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 6 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee. The Company shall have the right to request and receive water usage records from the water provider to its customers. In addition, the Company shall have the right to conduct an inspection of the customer's premises. If it is determined that actual flows or loadings are greater than the design flows or loadings, then the Company shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.

I. The liability of the Company, its agents and employees for damages arising out of interruption of service or the failure to furnish service, whether caused by acts or omission, shall be limited to those remedies provided in the Public Service Commission's rules and regulations governing water utilities.

2. Non-Recurring Charges

C. Water Meter Installation - 5/8 inches x 3/4 inches meter	\$45.00
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All 5/8 inch x 3/4 inch water meters shall meet the Utility's standards and shall be installed by the Utility. A one-time meter fee of \$35 shall be due upon installation for those locations where no 5/8 inch x 3/4 inch meter has been provided by a developer to the Utility.

For the installation of all other meters, the customer shall be billed for the Utility's actual cost of installation. All such meters shall meet the Utility's standards and be installed by the Utility unless the Utility directs otherwise.

SEWER

Service Territory 1 and 2

(Former customers of Carolina Water Service, Inc., Utilities Services of SC, Inc. and United Utility Companies, Inc.)

Former Customers of Carolina Water Service, Inc.

Monthly Charges – Sewer Collection & Treatment Only

Where sewage collection and treatment are provided through facilities owned and operated by the Utility, the following rates apply:

	<u>Current</u>	<u>Proposed</u>
Residential - charge per single-family house, condominium, villa, or apartment unit:	\$57.58 per unit	\$69.76 per unit
Mobile Homes:	\$42.01 per unit	\$50.92 per unit
Commercial	\$57.58 per SFE*	\$69.76 per SFE*

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

Monthly charge – Sewer Collection Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity for treatment, the Utility's rates are as follows:

Residential – per single-family house, condominium, or apartment unit	\$52.93 per unit	\$69.76 per unit
Commercial	\$52.93 per SFE*	\$69.76 per SFE*
Wholesale Service (Midlands Utility)	\$26.66 per SFE*	\$32.31 per SFE*
The Village Sewer Collection	\$29.95 per SFE*	\$36.30 per SFE*

* Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

SEWER SERVICE
TERMS AND CONDITIONS
AND
NON-RECURRING CHARGES

****(Please see full Application on the Commission's website @psc.sc.gov)****

1. Terms and Conditions

D. Toxic and Pretreatment Effluent Guidelines

The utility will not accept or treat any substance or material that has not been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

F. A Single Family Equivalent ("SFE") shall be determined by 6 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service, plant impact fee and tap fee. The Company shall have the right to request and receive water usage records from the water provider to its customers. In addition, the Company shall have the right to conduct an inspection of the customer's premises. If it is determined that actual flows or loadings are greater than the design flows or loadings, then the Company shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.

G. The liability of the Company, its agents and employees for damages arising out of interruption of service or the failure to furnish service, whether caused by acts or omission, shall be limited to those remedies provided in the Public Service Commission's rules and regulations governing wastewater utilities.

A copy of the company's application can be found on the Commission's website at www.psc.sc.gov under Docket No. 2017-292-WS. Additionally, a copy of the application is available from the corporate office of Charles L. A. Terreni, Terreni Law Firm, LLC and Scott Elliott, Elliott & Elliott, P.A., 1508 Lady Street, Columbia, SC 29201.

Any person who wishes to participate in this matter as a party of record should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **January 9, 2018**, by filing the Petition to Intervene with the Commission, by providing a copy to the Office of Regulatory Staff and by providing a copy to all parties of record. For the receipt of future Commission correspondence, please include an email address in the Petition to Intervene. ***Please refer to Docket No. 2017-292-WS and mail a copy to all other parties in this docket.*** Any person who seeks to intervene and who wishes to testify and present evidence at the hearing should notify, in writing, the Commission; the Office of Regulatory Staff at 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and the company at the above address, on or before **January 9, 2018**. ***Please refer to Docket No. 2017-292-WS.***

PLEASE TAKE NOTICE that a hearing, pursuant to 10 S.C. Code Ann. Regs. 103-817 and S.C. Code Ann. § 58-5-240, on the above matter has been scheduled to begin on **Tuesday, April 03, 2018, at 10:30 a.m.**, before the Commission in the Commission's Hearing Room at 101 Executive Center Drive, Suite 100, Saluda Building, Columbia, South Carolina 29210 for the purpose of receiving testimony and evidence from all interested parties. The hearing may continue through April 4, 2018, if necessary.

INSTRUCTIONS TO ALL PARTIES OF RECORD (Applicant, Petitioners, and Intervenors only): All Parties of Record must prefile testimony with the Commission and with all Parties of Record. Prefiled Testimony Deadlines: Applicant's **Direct Testimony Due: 2/26/2018**; Other Parties of Record **Direct Testimony Due: 3/12/2018**; Applicant's **Rebuttal Testimony Due: 3/19/2018**; and Other Parties of Record **Surrebuttal Testimony Due: 3/26/2018**. All prefiled testimony deadlines are subject to the information as posted on www.psc.sc.gov under **Docket No. 2017-292-WS**.

Any person who wishes to request that the Commission hold a public hearing in his or her county of residence in order to hear comments from the utility's customers, should notify, in writing, the Commission; the Office of Regulatory Staff at 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and the company at the above address, on or before **January 16, 2018**. *Please refer to Docket No. 2017-292-WS.*

For the most recent information regarding this docket, including changes in scheduled dates included in this Notice, please refer to www.psc.sc.gov and **Docket No. 2017-292-WS**.

PLEASE TAKE NOTICE that any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments in person to the Commission during the hearing.

Persons seeking information about the Commission's procedures should contact the Commission at (803) 896-5100 or visit its website at www.psc.sc.gov.

11/29/17